

CONTRACT #14
RFS # 350.40-044

**Department of Finance &
Administration
Insurance Administration**

VENDOR:
**BlueCross BlueShield of
Tennessee**



RECEIVED

APR 17 2007

FISCAL REVIEW

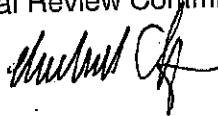
STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
INSURANCE ADMINISTRATION

312 Eighth Avenue North
Suite 2600 William R. Snodgrass Tennessee Tower
Nashville, Tennessee 37243
FAX (615) 253-8556

Dave Goetz
COMMISSIONER

Richard Chapman
EXECUTIVE DIRECTOR

MEMORANDUM

To: James White, Executive Director, Fiscal Review Committee
From: Richard Chapman, Executive Director 
Date: April 17, 2007

RE: Amendment to Establish a High Deductible Health Plan for AccessTN

Please find attached a Non-Competitive Amendment request to add language to the existing contract with BlueCross BlueShield of Tennessee signed by Commissioner Goetz. The base contract is included as is a draft of the amendment created to address the addition of a high deductible health plan that meets the requirements of the authorizing legislation for AccessTN and to be in combination with a health savings account (HSA). The addition to the scope of services and the rate of compensation for this service has been approved by the Access Tennessee Board of Directors.

The two plans currently offered are both Preferred Provider Organization (PPO) plans with a \$1,000 or \$5,000 deductible but are not HSA eligible. Enrollment in this anticipated third option is expected to be minimal as the enrollment in high deductible plans remains fairly small on a national level.

Thank you for your consideration of this request.

REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

Commissioner of Finance & Administration

Date:

EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED.

1) RFS #	#350-40-044-07
2) State Agency Name :	Finance and Administration
EXISTING CONTRACT INFORMATION	
3) Service Caption :	To provide statewide administrative services for the AccessTN program.
4) Contractor :	BlueCross BlueShield of Tennessee
5) Contract #	FA-07-20304-00
6) Contract Start Date :	February 13, 2007
7) <u>Current</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	December 31, 2011
8) <u>Current</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$4,600,000
PROPOSED AMENDMENT INFORMATION	
9) <u>Proposed</u> Amendment #	# 1
10) <u>Proposed</u> Amendment Effective Date : (attached explanation required if date is < 60 days after F&A receipt)	April 1, 2007
11) <u>Proposed</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	December 31, 2011
12) <u>Proposed</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$4,625,000
13) Approval Criteria : (select one)	<input checked="checked" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state <input type="checkbox"/> only one uniquely qualified service provider able to provide the service
14) Description of the Proposed Amendment Effects & Any Additional Service :	
This amendment would establish the capability of the State to offer a high deductible health plan that meets the requirements of the authorizing legislation for AccessTN and to be in combination with a health savings account (HSA).	
15) Explanation of Need for the Proposed Amendment :	
The enabling legislation for AccessTN requires the Board to establish at least two benefit plans and contemplates that one of those plans be a high deductible health plan that meets the legislative requirement and could be combined with a HSA. The HAS-eligible high	

deductible health plan would fulfill this legislative requirement. The two plans currently offered are both Preferred Provider Organization (PPO) plans with a \$1,000 or \$5,000 deductible but are not HAS-eligible. Enrollment in this anticipated third option is expected to be minimal as the enrollment in high deductible plans remains fairly small on a national level.

16) Name & Address of Contractor's Current Principal Owner(s) :
(not required if proposed contractor is a state education institution)

BlueCross BlueShield of Tennessee, Inc., 801 Pine St - 4G, Chattanooga, TN 37402

17) Documentation of Office for Information Resources Endorsement :
(required only if the subject service involves information technology)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

18) Documentation of Department of Personnel Endorsement :
(required only if the subject service involves training for state employees)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

19) Documentation of State Architect Endorsement :
(required only if the subject service involves construction or real property related services)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :

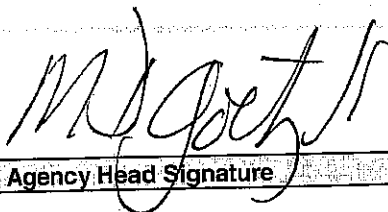
BlueCross BlueShield of Tennessee, Inc. has been approached as to their ability to add this third option to the existing contractual agreement for administration of AccessTN. The Contractor seems confident that they can add this third option economically from an administrative fee standpoint for individuals interested in this option.

21) Justification for the Proposed Non-Competitive Amendment :

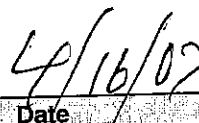
As the enrollment is not expected to be high in the High Deductible Option, it seems most cost efficient to use the current Contractor rather than seek an additional, separate contractor to administer this benefit option with a potential limited enrollment.

REQUESTING AGENCY HEAD SIGNATURE & DATE :

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)



Agency Head Signature



Date



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
INSURANCE ADMINISTRATION
312 Eighth Avenue North
Suite 2600 William R. Snodgrass Tennessee Tower
Nashville, Tennessee 37243
FAX (615) 253-8556**

**Dave Goetz
COMMISSIONER**

**Richard Chapman
EXECUTIVE DIRECTOR**

MEMORANDUM

To: Commissioner M. D. Goetz, Jr.

From: Laurie Lee *LL*

Date: April 16, 2007

Re: Contract Start Date

This is to request a start date for the amendment to the contract with BlueCross BlueShield of Tennessee for administrative services in advance of 60 days after receipt of the non-competitive amendment to this contract.

This contract amendment extends the services of BlueCross BlueShield of Tennessee for the AccessTN product by offering a third option of a high deductible health plan that meets the requirements of the authorizing legislation for AccessTN and to be in combination with a health savings account (HSA).

Given the recent awards for the implementation of these programs, dealing efficiently and effectively with all facets of implementation of the program is in the best interest of the State.

CONTRACT SUMMARY SHEET

8-8-05

RFS #		Contract #	
350.40-044-07		FA-07-20304-	
State Agency		State Agency Division	
Dept. of Finance and Administration		Division of Insurance Administration	
Contractor Name		Contractor ID # (FEIN or SSN)	
Blue Cross Blue Shield of Tennessee, Inc.		<input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 62-0427913	
Service Description			
To provide statewide administrative services for the AccessTN program.			
Contract Begin Date	Contract End Date	SUBRECIPIENT or VENDOR?	CFDA #
February 13, 2007	December 31, 2009	Vendor	

Mark, if Statement is TRUE

<input checked="" type="checkbox"/> Contractor is on STARS as required			<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts as required		
Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
317.86	21	891	54		
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2007			\$604,000		\$604,000
2008			\$1,610,000		\$1,610,000
2009			\$1,610,000		\$1,610,000
2010			\$801,000		\$801,000
TOTAL:			\$4,625,000		\$4,625,000

— COMPLETE FOR AMENDMENTS ONLY —

FY	Base Contract & Prior Amendments	THIS Amendment ONLY
FY: 2007	\$600,000	\$4,000
FY: 2008	\$1,600,000	\$10,000
FY: 2009	\$1,600,000	\$10,000
FY: 2010	\$800,000	\$1,000
TOTAL:	\$4,600,000.00	\$25,000.00
End Date:	Dec. 31, 2009	Dec. 31, 2009

State Agency Fiscal Contact & Telephone #

John G. Anderson
13th Floor, Tennessee Tower
615-741-8642

State Agency Budget Officer Approval



Funding Certification (certification, required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)

Contractor Ownership

<input type="checkbox"/> African American	<input type="checkbox"/> Disabled	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business	<input checked="" type="checkbox"/> NOT minority/disadvantaged
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> OTHER minority/disadvantaged—	

Contractor Selection Method

<input checked="" type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation	<input type="checkbox"/> Alternative Competitive Method
<input type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Government	<input type="checkbox"/> Other

Procurement Process Summary

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AMENDMENT ONE
TO CONTRACT NUMBER FA-07-20304-00

The Contract, by and between the Access Tennessee Board of Directors, hereinafter referred to as the State and BlueCross BlueShield of Tennessee, Inc., hereinafter referred to as the Contractor, is hereby amended as follows:

1. Delete Section C.1. in its entirety and insert the following in its place:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Four Million Six Hundred Twenty-five Thousand Dollars (\$4,625,000.00). The Service Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the Service Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

2. Delete Section C.3. in its entirety and insert the following in its place:

C.3. Payment Methodology. The Contractor shall be compensated based on the rates herein for service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1. The Contractor's compensation shall be contingent upon the satisfactory completion of units of service or project milestones defined in Section A. The Contractor shall be compensated based upon the following PMPM Rates:

PMPM Administrative Fee	PMPM 2007	PMPM 2008	PMPM 2009
AccessTN Plans (PPO)	\$18.57	\$18.57	\$18.57
AccessTN Plan 2500 (HSA eligible HDHP)	\$26.00	\$26.00	\$26.00

If the State, subject to a sixty (60) day notice, elects to provide for the administration of the Pharmacy Benefit (as detailed in A.10) or Disease Management (as detailed in A.9.7) or to collect premiums (as detailed in A.3) then the PMPM administrative fee shall be reduced by the associated amount detailed in the schedule below. If the adjustment takes place in the first or second year of the contract extension provided for in B.2., then the carve out reduction amounts will be increased by the same percentage that resulted from the process outlined below in C.3.1 or C.3.2.

Potential Carve Out	PMPM 2007	PMPM 2008	PMPM 2009
Reduction for Disease Management	\$1.09	\$1.09	\$1.09
Reduction for Pharmacy	\$0.78	\$0.78	\$0.78
Reduction for Premium Collection	\$1.24	\$1.24	\$1.24

The Contractor shall submit monthly invoices, in form and substance acceptable to the State with all of the necessary supporting documentation, prior to any payment. Such invoices shall be submitted for completed units of service for the amount stipulated. The State shall compensate the Contractor monthly for all services outlined in this contract, at the PMPM rates indicated, based upon the number of members certified by the State to the Contractor.

- C.3.1 If this Contract is extended pursuant to Section B.2., the following shall apply. For services performed from January 1, 2010, through December 31, 2010, the Contractor shall be compensated based upon the Service Rates fixed in Section C.3, above but the rates shall be adjusted by the percentage increase, if any, between the Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, All Items expenditure category, not seasonally adjusted, index base period: 1982-84=100) published by the United States Department of Labor, Bureau of Labor Statistics (or its successor index) in December 2009 and that figure published in the same month, 12-months prior, up to a maximum of three and one-half percent (3.5 %).
- C.3.2 If this Contract is extended a second time pursuant to Section B.2., the following shall apply. For services performed from January 1, 2011, through December 31, 2011, the Contractor shall be compensated based upon the Service Rates fixed in Section C.3, above but the rates shall be adjusted by the percentage increase, if any, between the Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, All Items expenditure category, not seasonally adjusted, index base period: 1982-84=100) published by the United States Department of Labor, Bureau of Labor Statistics (or its successor index) in December 2010 and that figure published in the same month, 12-months prior, up to a maximum of three and one-half percent (3.5 %).
- C.3.3 The State authorizes the Contractor to retain administrative fees, on a per patient basis, of no more than 5% of the gross recoveries received. The Contractor may retain an additional 20% of the gross recoveries, when such recoveries are made by subrogation subcontractor(s). The Contractor shall understand that recovery of subrogation claims includes claims paid as a result of work related illnesses or injuries relative to worker's compensation claims.
- C.3.4 The State agrees that access fees required by the Contractor, and its licensees, for use of the BlueCard program by members covered under the Plan shall be deducted from the aggregate discount savings realized from the Blue Card Program with the savings balance accruing to the State. The maximum fees under the Blue Card program are as follows:

Type of Claim	State's cost per Claim
Professional Claim	\$4.00
Institutional Claim	\$9.75
Claim Based Access Fee Only if Charged by Host Plan	4.3% of the discount received from the Host Plan if required. Maximum of \$2,000 per claim.

All other fees related to the Blue Card Program, as described in Contract Attachment G Blue Card PPO Program shall be borne by the Contractor, and should not be charged separately to the State regardless of any contrary statement in Attachment G. The State is under no obligation for any fees or compensation under the Blue Card Program other than those contained in this section.

Contractor shall provide the State with quarterly reports on the utilization of the Blue Card Program including claims paid, realized savings and Blue Card Program fees paid out of savings for the program during the quarter. Reports should be provided by the last day of the month following the quarter.

3. Delete Section E.2. in its entirety and insert the following in its place:

- E. 2 Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

The State:

Ms. Marlene D. Alvarez, Manager of Procurements and Contracting
Tennessee Department of Finance & Administration
Division of Insurance Administration
312 Eighth Ave. No., 26th Floor WRS Tennessee Tower
Nashville, TN 37243-0295

Phone: 615-253-8358
 Fax: 615-253-8556
 Email Address: marlene.alvarez@state.tn.us

The Contractor:
 Ms. Amy Bercher, Senior Product Manager
 BlueCross BlueShield of Tennessee, Inc.
 801 Pine Street – 4G
 Chattanooga, TN 37402
 Phone: 423-535-5983
 Fax: 423-535-7601
 E-mail Address: amy_bercher@bcbst.com

with a copy to:
 Associate General Counsel
 BlueCross BlueShield of Tennessee, Inc.
 801 Pine Street
 Chattanooga, TN 37402
 Attention: Associate General Counsel
 Fax: 423-535-1984

All instructions, notices, consents, demands, or other communications shall be considered effectively given as of the day of delivery; as of the date specified for overnight courier service delivery; as of three (3) business days after the date of mailing; or on the day the facsimile transmission is received mechanically by the telefax machine at the receiving location and receipt is verbally confirmed by the sender if prior to 4:30 p.m. CST. Any communication by facsimile transmission shall also be sent by United States mail on the same date of the facsimile transmission.

4. Delete Attachment D, AccessTN Benefit Summary, in its entirety and insert the following in its place:

Attachment D
AccessTN Benefit Summary

AccessTN OUTLINE OF PPO MEDICAL BENEFITS	Plan 1000 “premium- assistance eligible”	Plan 2500 “HSA-eligible” HDHP	Plan 5000 “Catastrophic”
This listing is for illustration only; plan documents shall control.	Note: Benefits are subject to change by the AccessTN Board of Directors.		
PREVENTIVE CARE (annual well-woman exam & / or health assessment exam with specified lab and diagnostic services)	100% in-network	100% in-network	100% in-network
The above is first dollar in-network coverage for wellness care such as an annual physical, not subject to deductible or co-insurance.			
DEDUCTIBLES Individual Maximum Deductible per Plan Year In network Out-of-network	\$1,000 \$2,000	\$2,500 \$2,500	\$5,000 \$10,000
Covered Expenses, as specified plan document, subject to maximum allowable charge	80% in-network 60% out-of-network	80% in-network 60% out-of-network	80% in-network 60% out-of-network
Pre-Existing Conditions Period- except as stated for specific benefits, to be determined by Board of Directors	6 months	6 months	6 months
Prescription Drugs - Pharmacy does not apply to out of pocket maximum except for Plan 2500 – HSA	No deductible for outpatient drugs	Deductible applies to drugs	No deductible for outpatient drugs

AccessTN OUTLINE OF PPO MEDICAL BENEFITS	Plan 1000 "premium- assistance eligible"	Plan 2500 "HSA-eligible" HDHP	Plan 5000 "Catastrophic"
Retail up to 34 day supply. Up to 102 day supply through home delivery, including retail pharmacies that agree to the same terms and conditions as a home delivery pharmacy. Self-administered Specialty Pharmacy products limited to a 30 day supply.			
Generic	\$10 copayment (or cost if less)	Covered under deductible, coinsurance and out-of-pocket limit to meet federal guidelines for an HSA eligible plan.	\$15 copayment (or cost if less)
Preferred Brand Drugs	25% coinsurance subject to a min. of \$25, max. of \$50		30% coinsurance subject to a min. of \$30, max. of \$75
Non-Preferred Brand	50% coinsurance subject to a min. of \$50, max. of \$100	Non-preferred brands are <u>not</u> covered.	60% copayment subject to a min. of \$60, max. of \$150
Non-Covered Drugs	as identified by formulary	Any drugs not identified by formulary as covered	as identified by formulary
Maximum Out-of-Pocket Expense (does not apply to pharmacy – except for Plan 2500, to out-of-network services, or to co-pays for emergency room)	\$5,000	\$5,000	\$10,000
Maximum Annual Benefits , except for supplemental Organ Transplants as below	\$120,000	N/A	\$100,000
Supplemental Maximum Benefit for Transplants	\$100,000	\$100,000	\$100,000
Maximum Lifetime Benefits Subject to prior benefits incurred in another state high risk pool(s)	\$1,000,000	\$1,000,000	\$1,000,000
Covered Services include			
Inpatient services - non-emergent service must be preauthorized	80% in-network 60% out-of-network	80% in-network 60% out-of-network Limited to 45 days per year	80% in-network 60% out-of-network
Surgical Procedures Diagnostic Lab and Imaging Services Physician office visits Preventive care other than those services specified above in Preventive Care allowance Chemotherapy and Radiation Therapy Organ Transplant (designated procedures) Provider Administered Specialty Pharmacy	80% in-network 60% out-of-network	80% in-network 60% out-of-network	80% in-network 60% out-of-network

AccessTN OUTLINE OF PPO MEDICAL BENEFITS	Plan 1000 “premium- assistance eligible”	Plan 2500 “HSA-eligible” HDHP	Plan 5000 “Catastrophic”
Maternity benefits	Subject to 12 month waiting period	Subject to 12 month waiting period	Subject to 12 month waiting period
Approved/Accredited Rehabilitation Facility			
Covered services listed below	80% in-network 60% out-of-network	80% in-network 60% out-of-network	80% in-network 60% out-of-network
Inpatient Rehabilitation Facility		Limited to 45 days per year	
Outpatient Rehabilitation Facility	Limited to 45 days per year	Limited to 45 days per year	Limited to 45 days per year
Skilled Nursing Facility (Following approved hospitalization. Prior authorization required.)	Limited to 45 days per year	Limited to 45 days per year	Limited to 45 days per year
Home Health Care	30 visits per year	30 visits per year	30 visits per year
Non-Hospital & Non-Physician Services			
Independently Practicing Physical Therapists, Speech Therapists, Occupational Therapists, Dialysis Clinics, Oral Surgeons, or Audiologists	80% in-network 60% out-of-network	80% in-network 60% out-of-network	80% in-network 60% out-of-network
Non-Contracted Providers (Varies based on the network/services area outside of Tennessee)	(Varies based on the network/services area outside of Tennessee)	(Varies based on the network/services area outside of Tennessee)	(Varies based on the network/services area outside of Tennessee)
Emergency Services (in-state or out-of-state)			
Emergency services (in -network or out-of-network) Note: Out-of-network benefits will be reduced to non-PPO levels if the claims administrator determines the situation was not an emergency.	80% of reasonable charges	80% of reasonable charges	80% of reasonable charges
Emergency Room Visit Copayment waived if admitted; Note: copayment required even if out-of-pocket expenses have been met	\$50 copayment per use	Not applicable	\$75 copayment per visit
Non-Emergent/Urgent Care			
Urgent Care Situations Urgent Care received at a walk-in clinic	80% in-network 60% out-of-network	80% in-network 60% out-of-network	80% in-network 60% out-of-network
Urgent Care received through hospital emergency room (in addition to ER copay)	80% in-network 60% out-of-network	80% in-network 60% out-of-network	80% in-network 60% out-of-network

AccessTN OUTLINE OF PPO MEDICAL BENEFITS	Plan 1000 "premium- assistance eligible"	Plan 2500 "HSA-eligible" HDHP	Plan 5000 "Catastrophic"
Appliances & Equipment Durable Medical Equipment	80% in-network 60% out-of-network \$3,000 Annual Max	80% in-network 60% out-of-network \$3,000 Annual Max	80% in-network 60% out-of-network \$3,000 Annual Max
EXCLUSIONS (This is a partial list- includes any services not medically necessary, etc.; see plan document for complete listing of exclusions.)	Cosmetic procedure Human Growth Hormone Hearing aids Eyeglasses, contacts, etc. Dental services Routine foot care Assisted reproductive technology, including fertility drugs Services or supplies related to obesity, including surgical or other treatment for morbid obesity		
SCHEDULE OF PPO MENTAL HEALTH/ SUBSTANCE ABUSE BENEFITS			
DEDUCTIBLES- No separate Mental Health deductible	Outpatient services not subject to plan deductible	All services subject to health plan deductible	Outpatient services not subject to plan deductible
COINSURANCE for Mental Health/ Substance Abuse	See below	After \$2500 plan deductible met	See below
Inpatient – Including Intermediate Care Services (the preauthorization process must be followed or benefits are reduced to 50% of the MAC of the 80/60% levels)	80% in-network 60% out-of-network 30 days	80% in-network 60% out-of-network 30 days	80% in-network 60% out-of-network 30 days
Outpatient- In- Network Out-of-Network, subject to MAC [Note- Outpatient therapy sessions are NOT subject to plan deductible; Inpatient above and intermediate levels below are subject to deductible.]	80% in-network 60% out-of-network 45 sessions	80% in-network 60% out-of-network 45 sessions	80% in-network 60% out-of-network 45 sessions
Expenses determined not to be medically necessary by the utilization review organization	\$0	\$0	\$0

Intermediate Care

All intermediate levels of care will be counted as inpatient for purposes of plan limitations.

- **Residential Treatment:** defined as a 24-hour level of residential care that is medically monitored, with 24-hour medical availability and 24-hour onsite nursing services. 1.5 residential treatment days = 1 inpatient day
- **Partial Hospitalization:** defined as structured and medically supervised day, evening and/or night treatment programs where program services are provided to patients at least 4 hours/day and are available at least 3 days/week, although some patients may need to attend less often. 2 partial hospitalization days = 1 inpatient day.

- Intensive Outpatient: defined as an intensive outpatient program, usually comprised of coordinated and integrated multidisciplinary services, having the capacity for a planned, structured, service provision of at least 2 hours per day and 3 days per week, although some patients may need to attend less often.
- 5 structured outpatient days = 1 inpatient day

Substance Abuse Limitations

- Lifetime maximum: Two inpatient stays – maximum of 28 days per stay. A stay is any substance treatment counted as inpatient (including intermediate levels of care) where the duration is between 1 inpatient day and 28 inpatient days.
- Lifetime maximum: Two inpatient stays for detoxification – maximum of 5 days per stay. A stay is any detox treatment counted as inpatient (including intermediate levels of care) where the duration is between 1 inpatient day and 5 inpatient days.

Additional Mental Health Limitations

- Inpatient care limit of 30 days per plan year (intermediate levels of care will be considered inpatient treatment for purposes of this limitation).
- Outpatient care limit of 30 visits per plan year is for mental health/substance abuse combined.

Payment is based on the MAC. Covered persons will be responsible for the deductible and any applicable copayment or coinsurance amounts. If non-network providers are used, covered persons will also be responsible for payment of charges above the Mac.

4. Add the following as Section E.12 and renumber any subsequent sections as necessary:

- E.12 High Deductible Health Plan Option. One of the AccessTN PPO Plans offered by the State is a High Deductible Health Plan (HDHP), a type of plan that has a higher calendar year deductible than a typical health plan and intended to be eligible for use with a Health Savings Account (HSA). If choosing the HDHP option, a Member may qualify for tax savings by contributing to a HSA. An HSA is a personal tax-exempt trust or custodial account used to pay for qualified medical expenses, which is regulated by the Internal Revenue Service. The parties expressly acknowledge and agree that (i) neither party will provide an HSA as part of the AccessTN PPO HDHP option; (ii) neither party will provide a Member with tax advice; and (iii) Contractor does not make (and the State has not relied upon) any representation, warranty or statement regarding a Member's qualification for an HSA in conjunction with choosing the HDHP option.

The other terms and conditions of this contract not amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF:

BLUECROSS BLUESHIELD OF TENNESSEE, INC.:

RONALD E. HARR, SENIOR VICE PRESIDENT

DATE

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY

ACCESS TENNESSEE BOARD OF DIRECTORS:

M. D. GOETZ, JR., CHAIRMAN

DATE

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M. D. GOETZ, JR., COMMISSIONER

DATE


COMPTROLLER OF THE TREASURY:

JOHN G. MORGAN, COMPTROLLER OF THE TREASURY

DATE

CONTRACT SUMMARY SHEET

8-B-05

RFS# 350.40-044-07				Contract # FA-07-20304-00																					
State Agency Dept. of Finance and Administration				State Agency Division Division of Insurance Administration																					
Contractor Name Blue Cross Blue Shield of Tennessee, Inc.				Contractor ID# (FEIN or SSN) <input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 62-0427913																					
Service Description To provide statewide administrative services for the AccessTN program.																									
Contract Begin Date February 13, 2007		Contract End Date December 31, 2009		SUBRECIPIENT or VENDOR? Vendor		CFDA #																			
<input checked="" type="checkbox"/> Contractor is on STARS as required <input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts as required																									
Allotment Code 317.86		Cost Center #21		Object Code 08891		Fund 54																			
Funding Grant Code		Funding Subgrant Code		Funding Grant Code		Funding Subgrant Code																			
FY		State		Federal		Interdepartmental																			
2007						\$600,000																			
2008						\$1,600,000																			
2009						\$1,600,000																			
2010						\$800,000																			
TOTAL						\$4,600,000																			
COMPLETE FOR AMENDMENTS ONLY <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th>FY</th> <th>Base Contract & Prior Amendments</th> <th>THIS Amendment ONLY</th> </tr> <tr> <td>FY: 2007</td> <td></td> <td></td> </tr> <tr> <td>FY: 2008</td> <td></td> <td></td> </tr> <tr> <td>FY: 2009</td> <td></td> <td></td> </tr> <tr> <td>TOTAL</td> <td></td> <td></td> </tr> <tr> <td>End Date</td> <td></td> <td></td> </tr> </table>				FY	Base Contract & Prior Amendments	THIS Amendment ONLY	FY: 2007			FY: 2008			FY: 2009			TOTAL			End Date			State Agency Fiscal Contact & Telephone John G. Anderson 13 th Floor, Tennessee Tower 615-741-8642 State Agency Budget Officer Approval  Funding Certification: certification required by U.G.A. §9-4-5119 that there is a balance in the appropriation from which the obligated expenditures are required to be paid that is not otherwise encumbered to pay obligations previously incurred.			
FY	Base Contract & Prior Amendments	THIS Amendment ONLY																							
FY: 2007																									
FY: 2008																									
FY: 2009																									
TOTAL																									
End Date																									
Contractor Ownership <input type="checkbox"/> African American <input type="checkbox"/> Disabled <input type="checkbox"/> Hispanic <input type="checkbox"/> Small Business <input checked="" type="checkbox"/> NOT minority/disadvantaged <input type="checkbox"/> Asian <input type="checkbox"/> Female <input type="checkbox"/> Native American <input type="checkbox"/> OTHER minority/disadvantaged—																									
Contractor Selection Method <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Competitive Negotiation <input type="checkbox"/> Alternative Competitive Method <input type="checkbox"/> Non-Competitive Negotiation <input type="checkbox"/> Government <input type="checkbox"/> Other																									
Procurement Process Summary																									

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